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To: Commission Chairwoman Maggie Hart Stebbins, Commission Vice Chair Debbie O'Malley, Commissioner Art De La Cruz, Commissioner Wayne Johnson, Commissioner Lonnie Talbert

From: John O'Donnell

Re: Washington Report

The past six months Bernalillo County's Washington advocates top legislative and programmatic priorities on behalf of the County have been:

- Work with the County, ABQ Ride and Middle Rio Grand Council of Governments (MRCOG) on planning and deployment of Bus Rapid Transit (BRT) service along Central Ave and additional high capacity transit corridors within Albuquerque and Bernalillo County,
- Obtain \$5.4 million to complete the Southwest Valley Flood Reduction Project authorized in the Water Resources Development Act of 2007,
- Support Congressional delegation efforts to secure the highest level of Department of Energy funding for Sandia and Los Alamos Laboratories,
- Seek Department of Agriculture assistance to the Albuquerque Bernalillo County Water Utility Authority and County to provide water and sewer service to Carnuel community,
- Obtain the support of New Mexico Senators for the inclusion of tax-exempt bonds in the Senate's tax reform proposal.
- Work with NACo and NM Counties Association to support extension of Payment in Lieu of Taxes (PILT) program, and
- Create opportunities to partner with The BRAND USA to promote economic development in Bernalillo County through travel promotion.

In a meeting with County staff in mid July, we revisited an idea we discussed earlier this year regarding the scope of the county's federal program. We discussed new approaches to the County's federal program based on budget and procedural changes in Washington over the past four years.

Previously federal funding for County transportation projects came through the Congressional appropriations process. When Congress imposed the earmarking moratorium in FY 11, the House and Senate became powerless to direct spending to their districts and states for their high priority transportation projects.

The past three years Bernalillo County has included road and, most recently, transit projects in its annual federal program to signify to the New Mexico Congressional delegation the importance of certain critical projects that could use a federal match with local dollars. Additionally, the projects were included in the County's federal priorities in case Congress uncovered a way during the appropriations process to direct funding toward specific projects.

In addition to working on the County's adopted list of federal priorities, we provide a weekly summary of federal grant opportunities to the County. The grant funding announcements bring federal social service, public safety, housing, substance abuse, transportation and economic development funding and /or technical assistance opportunities to the attention of County officials. We also notify County officials about current legislative and regulatory issues that will impact Bernalillo County. As an example, we noted the impact on the County of the Senate's tax reform approach in our discussions with Commissioners and County staff earlier this month. We advised the County Manager and Deputy County Managers of the Senate's tax reform proposal and drafted a letter for the County to send to Senators Martin Heinrich and Tom Udall requesting that tax exemption for municipal bonds and several other tax provisions continue to be part of the U.S. tax code. We subsequently spoke directly to Senators Henrich and Udall the third week of July about the letter they would be receiving from the County to use in notifying the Senate Finance Committee about the importance of tax exempt bonds, alternative fuel tax credits, New Market Tax Credits and low income housing tax credits to Bernalillo County. The letter we drafted explained why the tax provisions are important to Bernalillo County and how local governments use them.

Our work on this tax reform issue is an example of how we work on issues that might not be part of the County's federal program when adopted but arise during the program year and are critical to the County's interests. One of our program objectives is to keep the County current on all relevant legislative and program developments during the calendar year, like tax reform and Payment In Lieu of Taxes (PILT), to ensure that Bernalillo County is able to advance and protect its interests.

The following is an update on the specific items in the County's 2013 federal legislative program and includes recommendations regarding including recommendations that apply to the development of the 2014 federal program.

1 and 3* Sunport Boulevard Extension and Isleta Boulevard Rehabilitation – South of Rio Bravo

In the past, Bernalillo County has received roadway funding through earmarks and Transportation Investment Generating Economic Recovery Program (TIGER) funding. The past three years earmarked transportation funding has not been an option for funding road projects. In FY10, the County received a TIGER planning grant for Bridge Boulevard (\$262,500). As stated previously, we advised the County the past three years to continue to include road projects in the federal program because it is not clear from appropriations cycle to appropriations cycle how Congress will treat earmarking. Congress has become somewhat circumspect the last two years about how it has impaired its effectiveness by prohibiting earmarks.

We do not expect a restoration of the earmarking process as it was known previously, but numerous Representatives and Senators have spoken about the need to reexamine how Congress can gain a more direct role in funding decisions in Congressional districts and states. The past two years House members and Senators have complained about the earmark moratorium because it has given all the control for funding projects to the Administration. Recently, Congress began to reassert its influence on spending money on district priorities by setting aside funds in appropriations bills and directing agencies to identify projects that meet certain criteria spelled out in appropriation reports that accompany appropriations legislation. This approach has been used to fund certain U.S. Corp of Engineers water resources projects through the Energy and Water Development appropriations bill.

One of the best opportunities for highway and related project funding is through reauthorization of Moving Ahead for Progress in the 21st Century Act (MAP-21), the surface transportation bill signed into law July 6, 2012. Congress has until September of next year to reauthorize the Act. The \$105 billion, two-year bill did not significantly increase funding for highways and transit programs because Congress could not agree on a plan to raise revenues to pay for a six year bill and make significant infrastructure investments.

The New Mexico Congressional delegation recognizes there are important highway and transit improvements that should be made in the County and the State. The delegation can assist Bernalillo County with its surface transportation agenda by advancing specific programmatic changes or innovations in the next surface transportation authorization bill.

To benefit from the MAP-21 reauthorization, Bernalillo County should determine its two or three most challenging surface transportation issues and engage the Congressional within the next three months. In particular, the County should speak to Senator Tom Udall about its ideas because he is a member of the Environment and Public Works Committee that writes the highway section of the surface transportation bill. He is a member of the Transportation and Infrastructure Subcommittee that will do much of the groundwork work to reauthorize MAP-21. Senator Udall will have an interest in

*Numbers correspond to numerical listing in current FY 14 Federal Program

knowing what New Mexico's largest County thinks is important to addressing highway, mobility, safety, transit and freight issues in the State.

We recommend the County consider infrastructure, technology and program streamlining measures to improve local highway transportation systems. It is important that Bernalillo County provide Senator Udall and the delegation with specific recommendations. The County's proposals will have an added measure of value if they share a commonality with issues of concern by other metropolitan areas, particularly western metro areas. New Mexico along with the states of California, Oklahoma, Montana, Idaho and Wyoming are represented on the Environment and Public Works Committee.

Another venue for the County to seek transportation assistance is through Senator Udall's membership on the Subcommittee on Transportation Appropriations, which has jurisdiction over spending for Department of Transportation. The Senator's position can be helpful in addressing regulatory or programmatic issues that occur between DOT and County government. His position could be useful in identifying more flexible approaches to solving highway/transportation issues. We have been speaking with Senator Udall's transportation legislative aide over the last three months about identifying ways to assist Bernalillo County on surface transportation authorization and appropriations issues.

The County should consider discussing its MAP-21 priorities with the Mid Region Council of Governments (MRCOG) to determine if there is a benefit to approaching Senator Udall and the rest of the Congressional delegation with recommendations that enable the delegation to be effective in addressing Bernalillo County/ Albuquerque metropolitan transportation challenges over the next year.

We will be speaking with County officials the last week of July about its potential MAP-21 priorities and the steps for engaging with Senator Udall and the delegation regarding consideration of the County's reauthorization recommendations.

2. Southwest Valley Flood Reduction Project

The Corps of Engineers' authority to construct the flood control project was included in the Water Resources Development Act of 2007 (WRDA 07). The total project cost was set at \$24.8 million of which \$16.15 million was the federal share. The federal share has been budgeted and received appropriated funds over the past six years.

We worked with the Albuquerque District Corps office and the Congressional delegation to include the project in the Albuquerque District's FY 13 work program. The Corps original FY 13 budget included \$5.7 million as the final installment of federal funding for construction.

However, the FY13 funding became a casualty of sequestration. We have been working with the Albuquerque District to determine if the Corps can find other FY13 funding to complete the project from other projects that are not able to proceed with their FY 13 construction money. This is an ongoing effort for us the in remainder of the fiscal year ending on September 30.

Corps headquarters and the Albuquerque District are looking to include the project in the FY14 work program if FY13 money is not found. County officials briefed the Congressional delegation in March on the importance of the delegation indicating to the Corps that it should continue to look for FY13 funds or make sure the agency's FY14 budget provide the final installment of funding. The delegation stated support for finishing the project to Lieutenant Colonel Antoinette Gant, Commander of the Albuquerque Corps District, during her March project briefings for the Congressional delegation.

Senator Tom Udall's membership on the Senate Subcommittee on Appropriations for Energy and Water Development is important to the County's efforts to complete the project as soon as possible because the Subcommittee appropriates funds for Corps projects. Senator Udall can work with the Corps to ensure every opportunity for funding is considered.

Another issue I recommend be part of the County's 2014 federal priorities is reimbursement from the Corps for almost \$3.9 million in funding the County advanced to the Corps for work on flood control work on levees and pumps. The District Corps staff indicates that reimbursements for similar Environmental and Infrastructure projects authorized in WRDA bills have been directed to local sponsors through the appropriations process. We spoke to Senator Udall's staff, the Corps and Senate Appropriations staff about this issue in early July and indicated that the County would want to work with the Senator and Committee during the FY15 appropriations process to seek reimbursement funding.

4. Carnuel Water Supply and Water System Improvements

Former County Commissioner Michael Brasher first raised consideration of federal funding assistance for the Carnuel Mutual Domestic Water and Waste Water Consumer Association in 2007. He met with Department of Agriculture officials in Washington in the spring of 2007 to describe the water supply and water quality problems faced by the Carnuel community. Commissioner Wayne Johnson, who succeeded Commissioner Brasher, has continued the effort to work with the Department of Agriculture's Rural Development Service (RUS) and the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) to find funding to help address the Carnuel water problems.

In April, I met with John Padalino, the Acting Administrator of the Rural Development Service, and Jacki Ponti, the Deputy Administrator for the Rural Utility Service (RUS), to discuss the use of RUS loans and grants for low-income communities along the U.S. and Mexican border. At the end of the meeting Mr. Padalino and I talked about the Carnuel situation. He expressed interest in determining what flexibility RUS might have to work with ABCWUA and Carnuel.

Through late May and June, I worked with Congresswoman Michelle Lujan Grisham on an amendment to offer in the mark up of the House FARM bill that would provide flexibility to RUS to make available a combination grant and loan funds to Carnuel using

ABCWUA as the fiscal agent. Congresswoman Lujan Grisham, as a member of the House Agriculture Committee, has the ability to engage directly in the mark up of the bill. I connected the Congresswoman with Congressmen Pete Gallego, Filemon Vela and Beto O'Rourke whose districts are along the Texas/Mexico border, have colonias in their districts with water supply and water quality issues and share an interest in obtaining RUS assistance. They worked together to include the provision I drafted in the bill, but their effort was not successful because committee staff believes authority exists for RUS to work with colonias and communities like Carnuel.

I spoke with Congresswoman Lujan Grisham on July 24 about her possibly meeting with Mr. Padalino and Ms. Ponti to discuss possible solutions to the RUS flexibility issue. Ms. Courtney Weaver, Congresswoman Michelle Lujan Grisham's Legislative Director, will be meeting with Ms. Ponti the week of July 29. I have been working with Ms. Courtney Weaver, Congresswoman Lujan Grisham's Legislative Director, the past four months on possible fixes to the problem. Ms. Weaver suggested we talk about next steps in the process following her meeting with Ms. Ponti.

5. and 6. Bus Rapid Transit (BRT) Paseo del Norte and Central Avenue

The two BRT projects are on the County's federal priorities list because of the benefits they provide to the County and region. We have been working with the Mid Region Council of Governments (MRCOG) on their initial study of the feasibility of a BRT alignment from the Rio Rancho area to Journal Center along I-25 in Albuquerque. In our discussions with MRCOG officials over the past three months, an alignment from the University of New Mexico Hospital along University Boulevard NE to Albuquerque International Sunport has gained interest. A factor in favor of the University Boulevard corridor alignment is the potential for strong ridership numbers and the mobility benefits gained from the intersection of Central Ave and University Boulevard BRTs.

Some of the Federal Transit Administration (FTA) Small Starts requirements for BRT include that the project (a) meet the definition of a fixed guideway for at least 50 percent of the project length in the peak period traffic, (b) be a new fixed guideway project, or (c) be new corridor-based bus project with all of the following elements:

- Substantial transit stations,
- Traffic signal priority/pre-emption, to the extent, if any, that there are traffic signals on the corridor,
- Low-floor vehicles or level boarding,
- Branding of the proposed service, and
- 10-minute peak/15 minute off peak headways or better while operating at least 14 hours per weekday.

FTA requires these elements to be part of a BRT system because the agency's research and experience shows that they represent key features that contribute to transportation and economic development benefits from a BRT corridor.

I recommended recently that County officials and MRCOG brief FTA headquarters on the BRT work related to Paseo del Norte Boulevard and University Boulevard this fall. In the long term, the metropolitan region can be expected to have a multi-corridor BRT program and the region should begin to engage FTA headquarters in the discussion about the future of BRT in the metro area. This work has begun at the FTA regional level in Fort Worth. While Central BRT will be the first corridor in operation, it is time for FTA to know how the additional corridors could enhance and function in relation to the Central BRT.

I have worked with Federal Transit Administrator Peter Rogoff on several New Starts projects in the Southwest and know that he is enthusiastic about BRT projects for large metro areas. I have worked with his staff to have him visit Albuquerque twice in the past two and a half years to see first hand how BRT can benefit the region. I spoke with him in mid June about Bernalillo County's interest in BRT corridors that would work seamlessly with the Central Avenue corridor.

7. Support for Department of Energy Funding for Federal Labs – Sandia and Los Alamos

In discussions four years ago with staff from the offices of Senators Jeff Bingaman and Tom Udall and then Congressman Martin Heinrich, the importance of local support for the State's two federal labs was mentioned to me because of concerns that other states might see reductions in federal lab spending as an opportunity to incorporate New Mexico's labs into other federal labs outside the State. In November of 2009, I mentioned to Bernalillo County officials that support for national labs ought to be included in the County's federal programs considering the economic and social benefits the labs provide New Mexico and Bernalillo County region. In addition to adding the labs to the County's legislative program, we planned for County officials to call on the Director of the National Nuclear Security Administration (NNSA) when they visit Washington. This past spring Commissioners Art De La Cruz and Wayne Johnson were scheduled to speak with the Director of NNSA and key staff about the budgets for the national labs and the County's interest in the employment benefits and technology transfer from the labs that support the local economy. The conversations with the NNSA should continue because of the importance of Sandia as noted and the potential for the County and NNSA to be of benefit from one another's programs.

The Congressional delegation has expressed appreciation for the County's visiting with NNSA and making its interest in the labs known.

8. North Edith Utility Improvements Project

This project includes the assessment, design and construction of a sewer system servicing a neighborhood in the North Valley of Albuquerque, NM. The project is bounded by Roy Avenue on the south, the New Mexico Department of Transportation Railroad on the west, the Sandia Pueblo to the north and Edith Blvd. to the east. The project is designed to protect and improve groundwater quality in the region through the ultimate decommissioning of private residential sewer septic systems in the neighborhood. The

project will enhance existing residential roads, improve access and improve long-term operations and maintenance for these facilities.

This project would qualify for environmental infrastructure (EI) funding through the WRDA legislation that funds environmental infrastructure projects managed by the Corps of Engineers. The funding challenge for North Edith with some federal money is the backlog of qualified projects and the funding queue in the Albuquerque region. Section 593 (WRDA 99) authorized \$25 million for environmental infrastructure funding in three central New Mexico counties – Bernalillo, Sandoval and Valencia. I worked with the Congressional delegation on the original authorization and on subsequent appropriations bills to gain an additional \$25 million for project spending. The Corps has committed all \$50 million to projects and requires additional authority and appropriations to fund a backlog of projects.

The reimbursement issue mentioned in the *South Valley Flood Reduction* section of this report (p.5) relates directly to Section 593 funding issue mentioned here. The Corps requires additional funds to repay local sponsors for funds advanced by the local sponsors to work on some Section 593 qualified projects.

After the environmental and cultural resource documentation for the North Edith Utility Project is updated this summer, we should discuss how the Community Development Block Grant, New Mexico Drinking Water and Wastewater Revolving Loan programs and existing authorities of the Corps of Engineers could be used to match County funds for work on the project. If the project is in a rural area as determined by the Rural Development Service, it might qualify for RUS wastewater funding.

County Commission Testimony before the Senate Environment and Public Works Subcommittee on Superfund, Toxics and Environmental Health

Commissioner Debbie O'Malley, Vice Chair of the Bernalillo County Commission, testified before the Subcommittee on July 24 regarding the work on restoration of a thirty-five acre site in Albuquerque. She described to the Subcommittee members how the Environmental Protection Agency's brownfields program helped successfully restore the Sawmill area into a "...community driven and community owned, multi million dollar, award winning redevelopment initiative that transformed two contaminated industrial sites into a mixed use development."

Dr. Kendra Kenyon, President of the Idaho Council of Governments, and Mr. Geoff Anderson, President and CEO of Smart Growth America, joined Commissioner O'Malley in presenting testimony in support of the brownfields program to the Subcommittee.

Senator Udall and Ranking Member of the Subcommittee, Senator Mike Crapo (R-ID), are cosponsoring Brownfields Utilization, Investment and Local Development (BUILD) Act of 2013 (S.491). The legislation will improve the grant process for brownfields by increasing the limits for cleanup and expanding the eligibility for certain publically owned sites and non-profit organizations.

Before testifying last Wednesday, Commission Vice Chair met with Senators Udall and Heinrich and Congresswoman Lujan Grisham to discuss BRT, Corps reimbursement to Bernalillo County, Title XVI wastewater reclamation project authorization, restoration of the Albuquerque aquifer by the Air Force and Corps funding for flood protection.

Commissioner O'Malley's visits with the Congressional delegation were reminders to them and their staffs of the need for continuing action on Bernalillo County and Water Authority priorities.

Bernalillo County Receives \$193,769 in FY 13 Payments in Lieu of Taxes (PILT) Funding

On June 13, Interior Secretary Sally Jewell announced that approximately 1,900 local governments around the Nation received a total of \$399.8 million under the 2013 Payments in Lieu of Taxes (PILT) program.

The 2013 authorized level is \$421.7 million, which was reduced by \$21.5 million due to sequestration. After administrative expenses, a total of \$399.8 million is allocated for payments to counties. Bernalillo County's FY 13 allocation is \$193,769.

Unless Congress authorizes mandatory PILT funding this year, the program will revert back to a discretionary program that will be subject to the annual appropriations process. If that happens, yearly funding will be uncertain and increases the likelihood of reduced funding levels, perhaps as low as pre-2008 levels. If that happens, Bernalillo County's PILT allocation could be cut by as much as \$70,000 annually.

MMO has contacted the NM Counties Association to discuss the impact of possible PILT funding reductions. We recommend that the County notify the New Mexico delegation, specifically Martin Heinrich as he is a Member of the authorizing Committee, to request an extended authorization for the PILT program.

BRAND USA Meeting Update

In 2011, MMO began working with the BRAND USA, which was established by the Travel Promotion Act to spearhead the nation's first global marketing effort to promote the United States as a premier travel destination and to communicate U.S. entry/exit policies and procedures to worldwide travelers, to explore opportunities for promoting Bernalillo County/Albuquerque as a premier travel destination.

Last month, the Public Affairs Director for the BRAND USA, asked us to coordinate a roundtable discussion in Bernalillo County with travel industry stakeholders. We contacted the County Manager to discuss the opportunity and his participation in the event, which was held on July 10th.

Next Steps

As mentioned on the first page of this report, I met with the County Manager and Deputy County Managers earlier this month to discuss the status of the County's current Federal Program and discuss recommendations for the 2014 Bernalillo County Federal Program.

I suggest that priorities approved by the Commission for calendar year 2014 program focus on federal legislative, grant and regulatory issues that can be addressed by existing programs or possible demonstration projects. In the legislative and regulatory affairs areas, the County should identify specific measures which benefit the County and spell out in concise detail the problem, solution and approach for obtaining federal assistance. We have begun to act on this recommendation in the surface transportation area and will be identifying transportation infrastructure, technology and policies that benefit Bernalillo County through several conference calls late in July and into September. More details concerning our approach on additional County priorities for next year will be developed as the issues are identified.